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11 *Attorneys for Plaintiffs*

12 **UNITED STATES DISTRICT COURT**  
13 **CENTRAL DISTRICT OF CALIFORNIA**  
14 **WESTERN DIVISION**

15 SWEET PEOPLE APPAREL, INC.  
16 d/b/a MISS ME, a California  
17 corporation, and RCRV, INC. d/b/a  
ROCK REVIVAL, a California  
18 corporation,

19 Plaintiffs,

20 v.

21 PHOENIX FIBERS, INC., an Arizona  
22 corporation, SAC INTERNATIONAL  
23 TRADERS, INC., a California  
24 corporation, SHAUKAT ALI  
25 CHOCHAN, an individual, COMAK  
26 TRADING, INC., a California  
27 corporation, LYDIA EVILSA  
TERRAZAS CHO, an individual,  
28 MYUNG KWON CHO, an individual,  
XYZ COMPANIES 1-10, and JOHN  
AND JANE DOES 1-10,

Defendants.

Case No.: 2:16-cv-00940

**COMPLAINT FOR:**

- (1) Breach of Contract;
- (2) Trademark Infringement in Violation of 15 U.S.C. § 1114;
- (3) False Designation of Origin and Unfair Competition in Violation of 15 U.S.C. § 1125(a);
- (4) Unfair Competition in Violation of California Bus. & Prof. Code §§ 17200 *et seq.*;
- (5) Dilution in Violation of California Bus. & Prof. Code § 14247;
- (6) Common Law Trademark Infringement and Unfair Competition.

1 Plaintiffs Sweet People Apparel, Inc. d/b/a Miss Me (“Sweet People”) and  
 2 RCRV, Inc. d/b/a Rock Revival (“RCRV”) (collectively “Plaintiffs”), by and through  
 3 their undersigned counsel, complain of defendants Phoenix Fibers, Inc. (“Phoenix  
 4 Fibers”), SAC International Traders, Inc. (“SAC Traders”), Shaukat Ali Chohan  
 5 (“Chohan”), Comak Trading, Inc. (“Comak Trading”), Lydia Evilsa Terrazas Cho  
 6 (“Lydia Cho”), Myung Kwon Cho (“Myung Cho”), XYZ Companies 1-10, and John  
 7 and Jane Does 1-10 (SAC Traders, Chohan, Comak Trading, Lydia Cho, Myung Cho,  
 8 XYZ Companies 1-10, and John and Jane Does 1-10 being hereinafter collectively  
 9 referred to as the “Retailer Defendants,” and Phoenix Fibers and the Retailer  
 10 Defendants being hereinafter collectively referred to as “Defendants”), and allege as  
 11 follows:

## 12 **JURISDICTION AND VENUE**

13 1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§  
 14 1331 and 1338, and 15 U.S.C. § 1121. Plaintiffs’ claims are predicated upon the  
 15 Trademark Act of 1946, as amended, 15 U.S.C. §§ 1051 *et seq.*, and substantial and  
 16 related claims under the statutory and common law of the State of California.

17 2. Venue is properly founded in this judicial district pursuant to 28 U.S.C.  
 18 §§ 1391(b) and (c), because Defendants are either subject to personal jurisdiction  
 19 within this judicial district, and/or because a substantial part of the events giving rise  
 20 to Plaintiffs’ claims occurred within this judicial district.

## 21 **NATURE OF THE ACTION**

22 3. Plaintiffs are affiliated denim and apparel companies which seek  
 23 injunctive relief and damages for acts of trademark infringement, false designation of  
 24 origin, and unfair competition in violation of the laws of the United States, as well as  
 25 injunctive relief and damages for acts of trademark infringement, unfair competition,  
 26 dilution, and breach of contract in violation of the laws of the State of California.

27 4. This case arises from Phoenix Fibers’ unauthorized distribution and/or  
 28 sale of tens of thousands of units of damaged, unfinished, returned, obsolete, or

1 otherwise second-quality denim and apparel products bearing Plaintiffs’ famous  
2 MISS ME (Sweet People) and ROCK REVIVAL (RCRV) trademarks (collectively,  
3 “Plaintiffs’ Marks”), that Plaintiffs had donated to Phoenix Fibers, in each instance,  
4 on the agreement and understanding that such products (the “Donated Products”)  
5 would be destroyed and recycled into “shoddy fiber,” for use in manufacturing  
6 environmentally friendly products such as thermal insulation materials. Despite those  
7 agreements, Phoenix Fibers knowingly distributed and/or sold the Donated Products  
8 to parties, including, directly or indirectly, the Retailer Defendants, who intended to  
9 and did resell the Donated Products into secondary wholesale and retail channels, and  
10 eventually to ultimate consumers.

11 5. Phoenix Fibers’ conduct was in violation of its agreements with  
12 Plaintiffs, and specifically its undertakings that the Donated Products — which,  
13 Phoenix Fibers knew, were not intended to be sold to consumers, given that they did  
14 not meet Plaintiffs’ strict quality standards and/or specifications — would be  
15 destroyed and converted into shoddy fiber, and such shoddy fiber would then be  
16 delivered to Phoenix Fibers’ sister company, Bonded Logic, Inc. (“Bonded Logic”),  
17 for use in manufacturing environmentally friendly products.

18 6. In addition to Phoenix Fibers’ breach of its agreements with Plaintiffs,  
19 Phoenix Fibers and the Retailer Defendants have each infringed upon and caused  
20 irreparable harm to Plaintiffs’ Marks, have unfairly competed against Plaintiffs, and  
21 have likely caused widespread marketplace confusion through their introduction of  
22 large quantities of Plaintiffs’ second-quality denim and apparel products (*i.e.*, the  
23 Donated Products) — each such product bearing one of Plaintiffs’ Marks — into  
24 wholesale and retail distribution channels for ultimate sale to consumers, when such  
25 products were never intended for distribution and/or sale to consumers.

26 7. Defendants’ conduct was undertaken in bad faith and without Plaintiffs’  
27 consent, and Defendants deliberately intended to introduce the Donated Products into  
28 an unauthorized distribution channel so that they could profit from the sale of

1 products bearing Plaintiffs' famous, highly desired Marks.

2 **THE PARTIES**

3 8. Plaintiff Sweet People is a corporation duly organized and existing under  
4 the laws of the State of California, and maintains its principal place of business at  
5 4715 S. Alameda Street, Los Angeles, California 90058.

6 9. Plaintiff RCRV is a corporation duly organized and existing under the  
7 laws of the State of California, and maintains its principal place of business at 4715  
8 S. Alameda Street, Los Angeles, California 90058.

9 10. Upon information and belief, defendant Phoenix Fibers is a corporation  
10 duly organized and existing under the laws of the State of Arizona, and maintains its  
11 principal place of business located at 400 East Ray Road, Chandler, Arizona 85225.

12 11. Upon information and belief, defendant SAC Traders is a corporation  
13 duly organized and existing under the laws of the State of California, and maintains  
14 its principal place of business located at 6130 Avalon Boulevard, Los Angeles,  
15 California 90003.

16 12. Upon information and belief, defendant Chohan is an individual who is  
17 and was at all relevant times a resident of the State of California. Upon further  
18 information and belief, Chohan is the owner and President of SAC Traders, is the  
19 moving, active, conscious force directing SAC Traders' wrongful acts, and is  
20 personally responsible and liable for the wrongful acts of SAC Traders, as described  
21 herein.

22 13. Upon information and belief, defendant Comak Trading is a corporation  
23 duly organized and existing under the laws of the State of California, and maintains  
24 its principal place of business located at 2550 South Soto Street, Vernon, California  
25 90058.

26 14. Upon information and belief, defendant Lydia Cho is an individual who  
27 is and was at all relevant times a resident of the State of California. Upon further  
28 information and belief, Lydia Cho is the co-owner and co-President of Comak

1 Trading, is a moving, active, conscious force directing Comak Trading's wrongful  
2 acts, and is personally responsible and liable for the wrongful acts of Comak Trading,  
3 as described herein.

4 15. Upon information and belief, defendant Myung Cho is an individual who  
5 is and was at all relevant times a resident of the State of California. Upon further  
6 information and belief, Myung Cho is the co-owner and co-President of Comak  
7 Trading, is a moving, active, conscious force directing Comak Trading's wrongful  
8 acts, and is personally responsible and liable for the wrongful acts of Comak Trading,  
9 as described herein.

10 16. Upon information and belief, defendants Phoenix Fibers, SAC Traders,  
11 Chohan, Comak Trading, Lydia Cho and Myung Cho are acting in conjunction with  
12 various unknown individuals and wholesale and/or retail entities, including, without  
13 limitation, those parties denoted herein as John and Jane Does 1-10 and XYZ  
14 Companies 1-10. If the identities of these parties become known, Plaintiffs will  
15 amend the Complaint to include their names.

16 **SWEET PEOPLE'S BUSINESS**

17 17. Sweet People manufactures, promotes, sells and distributes high-quality  
18 denim and apparel products throughout the United States, including within this  
19 judicial district, under the famous MISS ME brand name. Sweet People's MISS ME  
20 brand denim and apparel products are prominently promoted and sold by such well-  
21 known fashion retailers and department stores as Macy's, Dillard's and The Buckle,  
22 both in-store and online, as well as through Sweet People's own ecommerce site  
23 <www.missme.com>.

24 18. Over the past several years, MISS ME brand denim and apparel products  
25 have become extremely popular in the highly competitive jeanswear market. As a  
26 result of their popularity, Sweet People's MISS ME brand denim and apparel  
27 products have received extensive media coverage and have appeared in numerous  
28 widely circulated fashion magazines, including *In Style*, *Elle*, *Glamour*, 944

1 *Magazine, Harper's Bazaar, Lucky, Teen Vogue* and *Nylon*. In addition, celebrities  
2 such as Bella Thorne, Miley Cyrus, Paris Hilton and Beyonce have been  
3 photographed wearing MISS ME brand denim and apparel products.

4 19. Sweet People has been using the MISS ME brand name as its primary  
5 trademark since 2001, and is the owner of numerous federal registrations and pending  
6 applications in the United States and around the world for its MISS ME Trademark.  
7 True and correct copies of certain of the U.S. registration certificates for Sweet  
8 People's MISS ME Trademark are attached hereto as Exhibit A.

9 20. In addition to being, in and of itself, a highly distinctive mark, as a result  
10 of Sweet People's uninterrupted and continuous promotion and sale of MISS ME  
11 brand denim and apparel products over the last fifteen years, and the widespread  
12 editorial coverage such products have received, Sweet People's MISS ME Trademark  
13 has developed substantial strength among consumers and the trade. Accordingly,  
14 Sweet People's MISS ME Trademark immediately identifies Sweet People as the  
15 exclusive source of denim and apparel products that bear such Mark, and signifies  
16 goodwill of incalculable value.

#### 17 **RCRV'S BUSINESS**

18 21. RCRV manufactures, promotes, sells and distributes high-quality denim  
19 and apparel products throughout the United States, including within this judicial  
20 district, under the famous ROCK REVIVAL brand name. RCRV's ROCK  
21 REVIVAL brand denim and apparel products are prominently promoted and sold by  
22 such well-known fashion retailers as The Buckle and Nordstrom, and hundreds of  
23 high-quality independent boutiques. In addition, such products are featured and sold  
24 online at RCRV's official website, located at <www.rockrevival.com>, and on  
25 websites affiliated with RCRV's authorized retail department stores, including The  
26 Buckle and Nordstrom.

27 22. Over the past several years, ROCK REVIVAL brand denim and apparel  
28 products have become extremely popular in the highly competitive jeanswear market.

1 In particular, the ROCK REVIVAL Trademark has enjoyed extensive coverage in  
2 leading mainstream and fashion publications in the United States. Further, celebrities  
3 have repeatedly been photographed wearing ROCK REVIVAL denim and apparel  
4 products, creating millions of commercial “impressions” of the brand name, including  
5 Steven Tyler, lead singer of the famous rock band Aerosmith, in *Rolling Stone*  
6 magazine; the Oscar winning actress, Halle Berry, in *US Weekly*; Teri Hatcher on the  
7 popular television show *Desperate Housewives*; Casey James, a finalist on the then-  
8 number one rated television show, *American Idol*; and former National Football  
9 League star and *Dancing With The Stars* winner, Hines Ward.

10 23. RCRV and its predecessor have been using the ROCK REVIVAL brand  
11 name as its primary trademark since 2006, and RCRV is the owner of numerous  
12 federal registrations and pending applications in the United States and around the  
13 world for its ROCK REVIVAL Trademark. True and correct copies of certain of the  
14 U.S. registration certificates for the ROCK REVIVAL Trademark are attached hereto  
15 as Exhibit B.

16 24. As a result of the uninterrupted and continuing promotion and sale of  
17 denim and apparel products bearing the ROCK REVIVAL Trademark, the Mark has  
18 developed substantial strength among consumers, and has come to immediately  
19 identify RCRV as the exclusive source of products bearing the Mark, and signifies  
20 goodwill of incalculable value.

### 21 **PHOENIX FIBERS’ BUSINESS**

22 25. Upon information and belief, Phoenix Fibers is currently, and at all times  
23 relevant hereto has been promoting itself as being in the business of destroying denim  
24 and other cotton fabric by converting it into “shoddy fiber,” *i.e.*, material used to  
25 manufacture different environmentally friendly products, such as thermal insulation  
26 materials.

27 26. Upon information and belief, Phoenix Fibers obtains denim and cotton  
28 clothing and materials from third parties, including textile manufacturers and well-

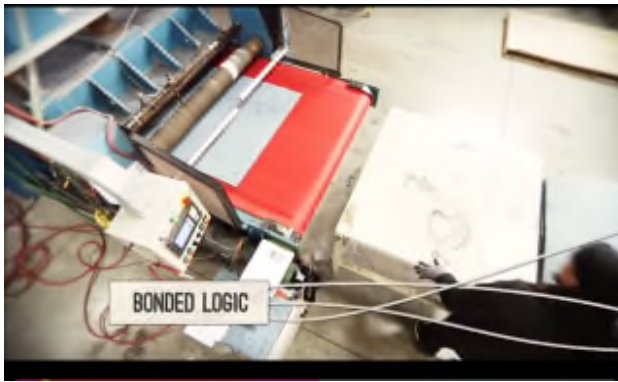


1 known jeans companies, and converts these goods into shoddy fiber.

2 27. As part an initiative it calls “Sustainability in Action,” Phoenix Fibers  
3 actively solicits donations of second-quality materials, and other materials that would  
4 otherwise be destroyed, from clothing and denim companies such as Plaintiffs.  
5 Phoenix Fibers further promotes the fact that it delivers the shoddy fiber it converts  
6 from materials donated to it by companies like Plaintiffs to its sister company,  
7 Bonded Logic, which, in turn, uses the shoddy fiber to produce sustainable,  
8 environmentally friendly insulation products. Phoenix Fibers’ website displays the  
9 following photographs of these activities:







### **PLAINTIFFS' BUSINESS DEALINGS WITH PHOENIX FIBERS**

28. Plaintiffs were first introduced to Phoenix Fibers in 2011, when Phoenix Fibers represented that it was a recycler of denim and other cotton blended materials, and would be pleased to become the depository for Plaintiffs' second-quality denim and apparel products and materials that Plaintiffs would otherwise have destroyed themselves.

29. Prior to becoming involved with Phoenix Fibers, Plaintiffs routinely incinerated, shredded, or otherwise destroyed all of their second-quality denim and apparel products, *i.e.*, damaged, unfinished, returned, or obsolete products, or other goods or materials Plaintiffs had no intention of selling to ultimate consumers. Plaintiffs took these steps in order to prevent their second-quality denim and apparel products from finding their way into wholesale and/or retail markets and being sold to consumers, as such products would then cause irreparable harm to the hard-earned image and reputation of Plaintiffs and their high-quality brands.

30. Thereafter, having been introduced to Phoenix Fibers and Bonded Logic, Plaintiffs decided to start disposing of their second-quality denim and apparel products in a more environmentally friendly manner, and began to donate such goods to Phoenix Fibers for destruction and conversion into shoddy fiber. Since approximately 2013, Plaintiffs have regularly donated large quantities of their second-quality denim and apparel products to Phoenix Fibers, with the understanding and agreement that such Donated Products would be converted into shoddy fiber for use in the environmentally sustainable insulation products manufactured by Bonded

1 Logic, just as Phoenix Fibers represented to Plaintiffs. Through October 2015,  
2 Plaintiffs have delivered over 500,000 units of Donated Products to Phoenix Fibers.

3 31. Most recently, in 2015, Plaintiffs shipped Donated Products to Phoenix  
4 Fibers on the following dates: January 29, 2015; February 23, 2015; March 12, 2015;  
5 May 19, 2015; June 10, 2015; August 26, 2015; September 9, 2015; September 28,  
6 2015; and October 16, 2015. Those shipments alone contained over 150,000 units of  
7 Donated Products. Each of such Donated Products prominently bore one of the  
8 Plaintiffs' Marks.

9 32. Plaintiffs made each of the foregoing shipments of Donated Products to  
10 Phoenix Fibers on the understanding that Phoenix Fibers would do what it said it  
11 would do with them — that is, destroy the Donated Products by shredding them into  
12 shoddy fiber. Accordingly, Plaintiffs understood, and the parties agreed, that all  
13 Donated Products would travel only in channels that would lead to their destruction  
14 (the "Destruction Channel"), and would not be sold or otherwise transferred into a  
15 wholesale or retail channel for ultimate sale to consumers (the "Selling Channel").

16 **DEFENDANTS' UNLAWFUL CONDUCT**

17 33. Much to their shock and disappointment, in or about October 2015  
18 Plaintiffs learned that significant quantities of second-quality denim and apparel  
19 products that they had donated to Phoenix Fibers for destruction (*i.e.*, Donated  
20 Products) were being offered for sale at wholesale by the Retailer Defendants, and  
21 were being sold at retail on various websites such as eBay.

22 34. Upon learning of this, on or about October 27, 2015, Plaintiffs contacted  
23 Phoenix Fibers' Plant Manager, Steve Johnson. During that conversation, Mr.  
24 Johnson stated to Plaintiffs that Phoenix Fibers' warehouse could have experienced  
25 "leakage" issues as a result of not having sufficient space to securely store the  
26 Donated Products.

27 35. Shortly thereafter, Plaintiffs contacted the President of Bonded Logic,  
28 Tod Kean, to reiterate their concerns about the significant quantities of Donated

1 Products that had found their way out of Phoenix Fibers' warehouse and into the  
2 Selling Channel. During that contact, Mr. Kean confirmed to Plaintiffs that Phoenix  
3 Fibers' warehouse could have experienced "leakage" issues as a result of not having  
4 sufficient space to securely store the Donated Products. Mr. Kean further assured  
5 Plaintiffs that such issues would be promptly addressed, and that going forward the  
6 Donated Products would be properly secured.

7 36. Despite these assurances, Plaintiffs' subsequent investigation revealed  
8 that there was an increasing volume of Donated Products being made available for  
9 wholesale and retail purchase in the Selling Channel by numerous parties, including  
10 the Retailer Defendants.

11 37. Accordingly, Plaintiffs' counsel sent a letter to Phoenix Fibers/Bonded  
12 Logic on November 17, 2015, demanding that immediate action be taken to cut off all  
13 "leakage" of Donated Products, and to provide certain undertakings with respect to  
14 the steps that would be taken to remedy this serious breach of Plaintiffs' agreements  
15 with Phoenix Fibers.

16 38. Thereafter, by letter dated December 3, 2015, Phoenix Fibers' counsel  
17 responded to Plaintiffs' demands by stating that "[w]hether any product was  
18 previously removed from [Phoenix Fibers'] main warehouse floor by anyone is  
19 unknown to Phoenix Fibers," and, in a complete about-face from Mr. Kean's prior  
20 statements, advised that "Phoenix Fibers has decided to no longer accept [Plaintiffs']  
21 donations of products for recycling." Phoenix Fibers' counsel further advised that  
22 Phoenix Fibers would "allow [Plaintiffs] to reclaim the unprocessed products at their  
23 expense."

24 39. Accordingly, at significant expense, on December 15 and 16, 2015,  
25 Plaintiffs reclaimed 128 pallets (or approximately 70,000 units) of Donated Products  
26 from Phoenix Fibers' Arizona warehouse.

27 40. Moreover, between December 2015 and February 2016, Plaintiffs,  
28 working with the assistance of private investigators, have taken proactive steps to

1 minimize the incalculable harm that has been caused and is continuing to be caused to  
2 Plaintiffs' Marks due to the introduction of Donated Products into the Selling  
3 Channel, by covertly purchasing over 29,000 units of Donated Products from the  
4 Retailer Defendants at a cost of over \$188,000. Despite these efforts, however,  
5 significant quantities of Donated Products remain in the Selling Channel.

6 41. Upon information and belief, Phoenix Fibers has been distributing  
7 and/or selling the Donated Products into the Selling Channel without Plaintiffs'  
8 knowledge or consent. In particular, Phoenix Fibers has been distributing and/or  
9 selling the Donated Products to wholesalers and retailers, including, directly or  
10 indirectly, SAC Trading and Comak Traders, with the knowledge that such parties  
11 would resell the Donated Products in the Selling Channel for ultimate purchase by  
12 end consumers.

13 42. Upon information and belief, Phoenix Fibers' introduction of the  
14 Donated Products into the Selling Channel is in violation of its agreements with  
15 Plaintiffs, which required that the Donated Products be introduced only into the  
16 Destruction Channel, and that they be shredded and destroyed by Phoenix Fibers and  
17 only then used to manufacture environmentally friendly products.

18 43. Upon information and belief, SAC Trading, through Chohan, purchased,  
19 and then offered for sale, Donated Products, knowing that such second-quality goods  
20 were not intended to be sold in the Selling Channel.

21 44. Upon information and belief, Comak Traders, through Lydia Cho and  
22 Myung Cho, purchased, and then offered for sale, Donated Products, knowing that  
23 such second-quality goods were not intended to be sold in the Selling Channel.

24 45. Upon information and belief, XYZ Companies 1-10 and John and Jane  
25 Does 1-10 purchased, and then offered for sale, Donated Products, knowing that such  
26 second-quality goods were not intended to be sold in the Selling Channel.

27 46. Upon information and belief, Defendants have deliberately and  
28 knowingly supplied, distributed, promoted, advertised, offered for sale and/or sold the

1 Donated Products, each of which prominently bears one of Plaintiffs' famous  
2 trademarks, MISS ME (Sweet People) or ROCK REVIVAL (RCRV). As Defendants  
3 were aware, such products were and are materially different from first-quality  
4 products Plaintiffs authorize for distribution in the Selling Channel and for sale to  
5 ultimate consumers.

6 47. Upon information and belief, Defendants were aware that the Donated  
7 Products were of second quality, and were intended by Plaintiffs only for destruction  
8 at the time they were delivered to Phoenix Fibers. Accordingly, upon information  
9 and belief, Defendants have been engaging in the above-described activities  
10 knowingly and intentionally, and/or with reckless disregard for Plaintiffs' rights and  
11 the goodwill symbolized by Plaintiffs' Marks.

12 48. Upon information and belief, Defendants intend to continue to supply,  
13 distribute, promote, advertise, offer for sale and/or sell the Donated Products in this  
14 manner unless otherwise restrained by this Court. Upon further information and  
15 belief, Plaintiffs are advised that additional Donated Products will be so introduced  
16 into the Selling Channel.

17 49. The continued introduction of the Donated Products into the Selling  
18 Channel, and their subsequent sale to ultimate consumers, will likely cause  
19 consumers, either at the point-of-sale or post-sale, to believe that such second-quality  
20 products were authorized, sponsored, or approved for sale to consumers by Plaintiffs.

21 50. Unless Defendants' conduct is enjoined, such conduct will severely  
22 inhibit and/or destroy the reputation among consumers, which Plaintiffs have worked  
23 tirelessly to build, that their denim and apparel products sold under the MISS ME and  
24 ROCK REVIVAL Marks are of the highest quality.

25 **FIRST CLAIM FOR RELIEF**

26 **BREACH OF CONTRACT**

27 **(PHOENIX FIBERS)**

28 51. The allegations set forth in paragraphs 1 through 50 hereof are adopted



1 and incorporated by reference as if fully set forth herein.

2 52. Phoenix Fibers had a separate contractual obligation, in each instance  
3 that Plaintiffs delivered Donated Products to it, requiring Phoenix Fibers to destroy  
4 the Donated Products, *i.e.*, to ensure that such goods were introduced only into the  
5 Destruction Channel, and were not transferred and/or sold into the Selling Channel.

6 53. Phoenix Fibers breached its contractual obligations by willfully and  
7 intentionally introducing the Donated Products into the Selling Channel, including,  
8 without limitation, by selling or otherwise transferring the Donated Products to the  
9 Retailer Defendants, among others, knowing full well that such Defendants intended  
10 to, in turn, resell the Donated Products at wholesale or retail, ultimately for purchase  
11 by consumers.

12 54. Plaintiffs have fully performed their contractual obligations to Phoenix  
13 Fibers by delivering the Donated Products to Phoenix Fibers for destruction.

14 55. As a direct result of Phoenix Fibers' aforementioned breach of its  
15 agreements with Plaintiffs, Donated Products — *i.e.*, second-quality goods bearing  
16 Plaintiffs' incalculably valuable trademarks — are being sold to ultimate consumers,  
17 thereby causing immediate and irreparable harm to the goodwill of the MISS ME and  
18 ROCK REVIVAL Marks, and Plaintiffs have no adequate remedy at law.

19 56. In addition, as a result of Phoenix Fibers' aforesaid breaches, Plaintiffs  
20 have suffered monetary damages in an amount to be determined at trial, including,  
21 without limitation, the significant costs and expenses they have incurred in  
22 investigating Defendants' activities, reclaiming Donated Products from Phoenix  
23 Fibers, and otherwise removing tens of thousands of units of Donated Products from  
24 the Selling Channel.

25 **SECOND CLAIM FOR RELIEF**

26 **TRADEMARK INFRINGEMENT (15 U.S.C. § 1114)**

27 **(ALL DEFENDANTS)**

28 57. The allegations set forth in paragraphs 1 through 56 hereof are adopted

1 and incorporated by reference as if fully set forth herein.

2 58. By the acts alleged herein, Defendants are making unauthorized use of  
3 Sweet People's MISS ME Mark and RCRV's ROCK REVIVAL Mark, by  
4 transferring or offering for sale Donated Products bearing these Marks in the Selling  
5 Channel, which products are materially different from the first-quality products  
6 bearing such Marks that Plaintiffs have authorized for sale in the Selling Channel and  
7 to ultimate consumers, and have therefore infringed, and continue to infringe  
8 Plaintiffs' Marks, all in violation of 15 U.S.C. § 1114.

9 59. Defendants' unauthorized distribution and/or sale of Donated Products  
10 bearing the Marks constitutes a commercial use in commerce, and Plaintiffs have not  
11 authorized or approved any such use.

12 60. Upon information and belief, Defendants' use of Plaintiffs' Marks, by  
13 transferring or offering for sale the Donated Products in the Selling Channel, has  
14 caused, is intended to cause, and is likely to continue to cause confusion, mistake and  
15 deception among the general consuming public as to Plaintiffs' authorization,  
16 sponsorship, or approval of the sale of Donated Products — *i.e.*, second-quality goods  
17 bearing Plaintiffs' incalculably valuable trademarks — to consumers, and/or a  
18 possible affiliation, connection or association between Plaintiffs and Defendants.

19 61. Upon information and belief, Defendants have acted with knowledge of  
20 Plaintiffs' ownership of the Marks, and with the deliberate intention to unfairly  
21 benefit from the goodwill symbolized thereby.

22 62. Defendants' acts constitute willful trademark infringement in violation  
23 of 15 U.S.C. § 1114.

24 63. Upon information and belief, by their actions, Defendants intend to  
25 continue to engage in their unlawful conduct, and to infringe Sweet People's MISS  
26 ME Mark and RCRV's ROCK REVIVAL Mark, unless restrained by this Court.

27 64. Upon information and belief, by their willful acts, Defendants have  
28 made and will continue to make substantial profits and gains to which they are not in

1 law or equity entitled.

2 65. Defendants' acts have irreparably damaged and, unless enjoined, will  
3 continue to irreparably damage Plaintiffs, and Plaintiffs have no adequate remedy at  
4 law.

5 **THIRD CLAIM FOR RELIEF**

6 **FALSE DESIGNATION OF ORIGIN AND UNFAIR COMPETITION**

7 **(15 U.S.C. § 1125(a))**

8 **(ALL DEFENDANTS)**

9 66. The allegations set forth in paragraphs 1 through 65 hereof are adopted  
10 and incorporated by reference as if fully set forth herein.

11 67. Defendants' unauthorized distribution and/or sale of Donated Products  
12 bearing Plaintiffs' Marks constitutes a commercial use in commerce, and Plaintiffs  
13 have not authorized or approved any such use.

14 68. Upon information and belief, the Donated Products improperly  
15 transferred or sold by Phoenix Fibers, and subsequently offered for sale by SAC  
16 Trading, Comak Traders, and the Retailer Defendants, bear the MISS ME and ROCK  
17 REVIVAL Marks, but are of significantly inferior quality than the high-quality denim  
18 and apparel products that Plaintiffs authorize for sale to consumers under such Marks.

19 69. Accordingly, Defendants' activities have caused, are intended to cause,  
20 and are likely to continue to cause confusion, mistake and deception among the  
21 general consuming public and the trade as to the source of the Donated Products,  
22 and/or Plaintiffs' authorization, sponsorship, or approval of the sale of Donated  
23 Products — *i.e.*, second-quality goods bearing Plaintiffs' incalculably valuable  
24 trademarks — to consumers, and/or a possible affiliation, connection or association  
25 between Plaintiffs and Defendant.

26 70. Defendants' conduct as aforesaid constitutes a willful false designation  
27 of the origin of the Donated Products, and/or false and misleading descriptions and  
28 representations of fact, all in violation of 15 U.S.C. § 1125(a).

1           71. Upon information and belief, by their actions, Defendants intend to  
2 continue to falsely designate the origin of the Donated Products, and otherwise  
3 unfairly compete with Plaintiffs as aforesaid, unless restrained by this Court.

4           72. Upon information and belief, by their willful acts, Defendants have  
5 made and will continue to make substantial profits and gains to which they are not in  
6 law or equity entitled.

7           73. Defendants' acts have irreparably damaged and, unless enjoined, will  
8 continue to irreparably damage Plaintiffs, and Plaintiffs have no adequate remedy at  
9 law.

10                           **FOURTH CLAIM FOR RELIEF**  
11                           **CALIFORNIA UNFAIR COMPETITION**  
12                           **(Cal. Bus. & Prof. Code §§ 17200 *et seq.*)**  
13                           **(ALL DEFENDANTS)**

14           74. The allegations set forth in paragraphs 1 through 73 hereof are adopted  
15 and incorporated by reference as if fully set forth herein.

16           75. Defendants' aforesaid acts constitute unlawful, unfair, or fraudulent acts  
17 of unfair competition in violation of California Business & Professions Code §§  
18 17200 *et seq.*

19           76. Upon information and belief, Plaintiffs have standing to assert this claim  
20 under California Business & Professions Code §§ 17200 *et seq.* because their  
21 monetary and property interests have been damaged by Defendants' aforesaid  
22 actions. By way of example, upon information and belief, the value of Plaintiffs'  
23 MISS ME and ROCK REVIVAL Marks has been and is being significantly  
24 diminished by Defendants' actions.

25           77. Upon information and belief, by their actions, Defendants intend to  
26 continue their unfairly competitive conduct, unless restrained by this Court.

27           78. Defendants' acts have irreparably harmed and, unless enjoined, will  
28 continue to irreparably harm the Plaintiffs, and Plaintiffs have no adequate remedy at

1 law.

2 79. Pursuant to California Business & Professions Code §§ 17200 *et seq.*,  
3 Plaintiffs are entitled to injunctive relief and an award of attorneys' fees and costs.

4 **FIFTH CLAIM FOR RELIEF**

5 **CALIFORNIA DILUTION**

6 **(Cal. Bus. & Prof. Code § 14247)**

7 **(ALL DEFENDANTS)**

8 80. The allegations set forth in paragraphs 1 through 79 hereof are adopted  
9 and incorporated by reference as if fully set forth herein.

10 81. Sweet People is the exclusive owner of the MISS ME Mark, and RCRV  
11 is the exclusive owner of the ROCK REVIVAL Mark.

12 82. Plaintiffs' Marks are famous as defined within Cal. Bus. & Prof. Code §  
13 14247, and are widely recognized by the general consuming public of California as  
14 designations of the source of Plaintiffs' products.

15 83. Defendants' distribution and/or sale, without authorization from  
16 Plaintiffs, of second-quality products bearing Plaintiffs' Marks that were not intended  
17 to be sold to consumers, is diluting the distinctive quality of Plaintiffs' Marks, and  
18 decreasing the capacity of Plaintiffs' Marks to identify and distinguish Plaintiffs'  
19 products.

20 84. Defendants have intentionally and willfully diluted the distinctive  
21 quality of the famous MISS ME and ROCK REVIVAL Marks.

22 85. Upon information and belief, by their actions, Defendants intend to  
23 continue their willful dilution of Plaintiffs' Marks, unless restrained by this Court.

24 86. Defendants' acts have irreparably harmed and, unless enjoined, will  
25 continue to irreparably harm the Plaintiffs, and Plaintiffs have no adequate remedy at  
26 law.

27 87. Pursuant to California Business & Professions Code §§ 14247 & 14250,  
28 Plaintiffs are entitled to injunctive relief and an award of attorneys' fees and costs.



**SIXTH CLAIM FOR RELIEF**  
**COMMON LAW TRADEMARK INFRINGEMENT**  
**AND UNFAIR COMPETITION**  
**(ALL DEFENDANTS)**

88. The allegations set forth in paragraphs 1 through 87 hereof are adopted and incorporated by reference as if fully set forth herein.

89. Defendants' activities have caused, are intended to cause, and are likely to continue to cause confusion, mistake and deception among the general consuming public and the trade as to the source of the Donated Products, and/or Plaintiffs' authorization, sponsorship, or approval of the sale of Donated Products — *i.e.*, second-quality goods bearing Plaintiffs' incalculably valuable trademarks — to consumers, and/or a possible affiliation, connection or association between Plaintiffs and Defendants, in violation of Plaintiffs' rights under the common law of the State of California.

90. Upon information and belief, by their actions, Defendants intend to continue their infringing and unfairly competitive acts, unless restrained by this Court.

91. Upon information and belief, by their willful acts, Defendants have made and will continue to make substantial profits and gains to which they are not in law or equity entitled.

92. Defendants' acts have irreparably damaged and, unless enjoined, will continue to irreparably damage Plaintiffs, and Plaintiffs have no adequate remedy at law.

93. Pursuant to the common law of the State of California, Plaintiffs are entitled to injunctive relief, and an award of damages and/or Defendants' profits resulting from Defendants' willful conduct.

94. Plaintiffs are further informed and believe that Defendants' conduct was oppressive, fraudulent and malicious, and are thereby entitled to an award of punitive

1 damages.

2 **PRAYER FOR RELIEF**

3 WHEREFORE, Sweet People and RCRV demand judgment against  
4 Defendants as follows:

5 1. Finding that, (a) as to Count 1, Phoenix Fibers breached its agreements  
6 with Plaintiffs; (b) as to Count 2, Defendants engaged in willful infringement of  
7 Plaintiffs' Marks in violation of 15 U.S.C. § 1114; (c) as to Count 3, Defendants  
8 engaged in willful false designation of origin and unfair competition in violation of  
9 15 U.S.C. § 1125(a); (d) as to Count 4, Defendants engaged in willful unfair  
10 competition against Plaintiffs in violation of California Business & Professions Code  
11 §§ 17200 *et seq.*; (e) as to Count 5, engaged in willful dilution of Plaintiffs' Marks in  
12 violation of California Business & Professions Code § 14247; and (f) as to Count 6,  
13 Defendants engaged in willful common law trademark infringement and unfair  
14 competition against Plaintiffs.

15 2. That Defendants and all of those acting in concert with them, including  
16 their agents and servants, and all those on notice of this suit, be preliminarily and  
17 permanently enjoined from:

18 (a) Supplying, distributing, promoting, advertising, offering for sale  
19 and/or selling any Donated Products which bear the MISS ME and ROCK REVIVAL  
20 Marks, and/or engaging in any other activity constituting an infringement of any of  
21 Sweet People's rights in the MISS ME Mark and RCRV's rights in the ROCK  
22 REVIVAL Mark;

23 (b) Engaging in any activity constituting unfair competition, false  
24 designation of origin, or false advertising with Sweet People or RCRV, or any other  
25 acts or practices that deceive the public and/or the trade.

26 3. That Defendants be required to take such other measures as the Court  
27 may deem appropriate to prevent the public from deriving any erroneous impression  
28

1 that Donated Products bearing the MISS ME or ROCK REVIVAL Marks are  
2 products that Plaintiffs intended for sale to consumers.

3 4. That Defendants be required to recall all Donated Products.

4 5. That the Court award Sweet People (a) its actual damages resulting from  
5 Phoenix Fibers' breaches of contract; (b) Defendants' profits and Sweet People's  
6 damages, to the full extent provided for under 15 U.S.C. § 1117 and/or § 1125, with  
7 any monetary relief to be trebled; (c) attorneys' fees and injunctive and other  
8 equitable relief, to the full extent provided for by California Business & Professions  
9 Code §§ 17200 *et seq.*, §§ 17500 *et seq.*, and § 14247; (d) actual and punitive  
10 damages as provided under the common law of the State of California; and (e) Sweet  
11 People's attorneys' fees and litigation-related expenses incurred herein.

12 6. That the Court award RCRV (a) its actual damages resulting from  
13 Phoenix Fibers' breaches of contract; (b) Defendants' profits and RCRV's damages,  
14 to the full extent provided for under 15 U.S.C. § 1117 and/or § 1125, with any  
15 monetary relief to be trebled; (c) attorneys' fees and injunctive and other equitable  
16 relief, to the full extent provided for by California Business & Professions Code  
17 §§ 17200 *et seq.* and §§ 17500 *et seq.* and § 14247; (d) actual and punitive damages  
18 as provided under the common law of the State of California; and (e) RCRV's  
19 attorneys' fees and litigation-related expenses incurred herein.

20 7. That Sweet People and RCRV be awarded pre-judgment and post-  
21 judgment interest on any monetary awards made as part of the judgment against  
22 Defendants.

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1           8.     That Sweet People and RCRV be awarded such additional and further  
2 relief as the Court deems just and proper.

3  
4 Dated: February 10, 2016

ARNOLD & PORTER LLP

5  
6 By: /s/ Eric D. Mason

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12 *Attorneys for Plaintiffs Sweet People*  
13 *Apparel, Inc. d/b/a Miss Me and*  
14 *RCRV, Inc. d/b/a Rock Revival*  
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EXHIBIT A

United States of America  
United States Patent and Trademark Office

MISS ME

Reg. No. 4,392,381

Registered Aug. 27, 2013

Int. Cl.: 25

TRADEMARK

PRINCIPAL REGISTER

SWEET PEOPLE APPAREL, INC. (CALIFORNIA CORPORATION)  
4715 S. ALAMEDA STREET  
LOS ANGELES, CA 90058

FOR: MEN'S, WOMEN'S, CHILDREN'S APPAREL NAMELY SHIRTS, BLOUSES, JEANS,  
TROUSERS, SLACKS, COATS AND DRESSES, IN CLASS 25 (U.S. CLS. 22 AND 39).

FIRST USE 1-22-2001; IN COMMERCE 1-22-2001.

THE MARK CONSISTS OF STANDARD CHARACTERS WITHOUT CLAIM TO ANY PAR-  
TICULAR FONT, STYLE, SIZE, OR COLOR.

OWNER OF U.S. REG. NOS. 2,602,727, 3,790,104 AND OTHERS.

SER. NO. 85-893,215, FILED 4-2-2013.

KIMBERLY PARKS, EXAMINING ATTORNEY



*Lisa M. Heston*  
Acting Director of the United States Patent and Trademark Office



Int. Cl.: 25

Prior U.S. Cls.: 22 and 39

United States Patent and Trademark Office

Reg. No. 3,651,168

Registered July 7, 2009

TRADEMARK  
PRINCIPAL REGISTER

Miss Me

SWEET PEOPLE APPAREL, INC. (CALIFORNIA CORPORATION)  
1125 E. PICO BLVD.  
LOS ANGELES, CA 90021

SWIM WEAR FOR GENTLEMEN AND LADIES; T-SHIRTS; TROUSERS; VESTS, IN CLASS 25 (U.S. CLS. 22 AND 39).

FOR: BLOUSES; CAMISOLES; CARDIGANS; COATS FOR MEN AND WOMEN; DRESSES; JACKETS; JEANS; MEN AND WOMEN JACKETS, COATS, TROUSERS, VESTS; PANTS; SCARVES; SHIRTS; SKIRTS AND DRESSES; SLACKS; SWEATERS;

FIRST USE 9-1-2004; IN COMMERCE 9-1-2004.

SER. NO. 78-760,331, FILED 11-23-2005.

SHAUNIA CARLYLE, EXAMINING ATTORNEY

**EXHIBIT B**

**Int. Cl.: 25**

**Prior U.S. Cls.: 22 and 39**

**United States Patent and Trademark Office**

**Reg. No. 3,319,860**

**Registered Oct. 23, 2007**

**TRADEMARK  
PRINCIPAL REGISTER**

**ROCK REVIVAL**

GOAPPAREL, LLC (CALIFORNIA LTD LIAB CO)  
1600 EAST OLYMPIC BLVD.  
LOS ANGELES, CA 90021

THE MARK CONSISTS OF STANDARD CHAR-  
ACTERS WITHOUT CLAIM TO ANY PARTICULAR  
FONT, STYLE, SIZE, OR COLOR.

FOR: CLOTHING, NAMELY, PANTS, SHORTS,  
JACKETS, IN CLASS 25 (U.S. CLS. 22 AND 39).

SN 78-598,611, FILED 3-30-2005.

FIRST USE 11-23-2005; IN COMMERCE 3-17-2006.

EUGENIA MARTIN, EXAMINING ATTORNEY

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# United States of America

United States Patent and Trademark Office



**Reg. No. 3,939,054**

**Registered Mar. 29, 2011**

**Int. Cl.: 25**

**TRADEMARK**

**PRINCIPAL REGISTER**

RCRV, INC. (CALIFORNIA CORPORATION)

4715 S. ALAMEDA ST.

LOS ANGELES, CA 90058

FOR: JACKETS; JEANS; PANTS; SHORTS; TROUSERS, IN CLASS 25 (U.S. CLS. 22 AND 39).

FIRST USE 3-2-2009; IN COMMERCE 3-2-2009.

OWNER OF U.S. REG. NOS. 3,319,860 AND 3,581,968.

THE MARK CONSISTS OF THE WORDS "ROCK" AND "REVIVAL" IN BANNERS OVER A FLEUR-DE-LYS.

SN 77-981,192, FILED 11-13-2009.

DANNEAN HETZEL, EXAMINING ATTORNEY



*David J. Kyfas*

Director of the United States Patent and Trademark Office